

Idaho Millennium Fund

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2005 Total App	FY 2005 Actual	FY 2006 Approp	FY 2007 Request	FY 2007 Gov Rec
BY FUND CATEGORY					
Dedicated	60,700	60,700	0	2,637,100	1,274,000
Percent Change:		0.0%	(100.0%)		
BY OBJECT OF EXPENDITURE					
Operating Expenditures	0	0	0	250,000	0
Trustee/Benefit	60,700	60,700	0	2,387,100	1,274,000
Total:	60,700	60,700	0	2,637,100	1,274,000

Division Description

Tobacco Settlement Background

In November 1998, the attorneys general and other representatives of 46 states signed an agreement with the largest tobacco manufacturers ending a legal battle between the states and the industry that began in 1994. While payments are expected to continue in perpetuity, the settlement requires the tobacco manufacturers to pay the states \$206 billion over the next 25 years, of which Idaho will receive a total of approximately \$790 million.

Millennium Fund Enabling Legislation

The Idaho Millennium Fund was established by the legislature in 2000 as an endowment fund structure to receive, invest and disburse funds received by the State of Idaho under the tobacco Master Settlement Agreement reached between participating states and tobacco product manufacturers. This fund preserves the long-term capital value of these moneys through a distribution rule which provides that five percent of the fund's average market value is made available for legislative appropriation each fiscal year. Fund investments are managed by the State Treasurer, who is the constitutional officer charged with the responsibility of managing state funds. Up until 2003, when the entire Millennium Fund was liquidated, the Treasurer invested the fund in a diversified portfolio, which included 30% in domestic bonds, 50% in US common stocks, and 20% in non-US stocks.

Millennium Income Fund Grants

In 2002, HB 486a created the Joint Millennium Fund Committee, which is made up of five senators and five representatives, and is charged with reviewing grant applications and providing a funding recommendation to the legislature. There is no specification in law with regard to how the monies in the Millennium Fund shall be used, but the Joint Millennium Fund Committee has chosen to only consider applications for programs and projects directly related to one or more of the following: (1) tobacco cessation or prevention; (2) substance abuse cessation or prevention; or (3) tobacco or substance abuse related disease treatment. In addition, the committee has determined that funds may not be used for permanent capital improvements or organizational start-up costs.

Appropriations

Beginning in FY 2004, the appropriated amount in the Millennium Fund budget only represents moneys appropriated to non-governmental organizations. Millennium Fund moneys appropriated to state agencies are transferred by the State Controller from the Millennium Income Fund to the agency, and are reflected in each individual agency budget.

[Statutory Authority: Idaho Code §67-1801 et seq.]

Idaho Millennium Fund

Agency Profile

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History of Idaho Millennium Income Fund Appropriations

Agency / Organization	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Boise State University	-	\$95,000	\$121,000	-		
Catastrophic Health Care						
County Deductible	\$735,000	\$735,000	\$435,000	\$435,000	\$500,000	-
State Share	-	-	\$1,251,400	\$400,000	-	-
Children's Trust Fund	\$100,000	\$200,000	\$150,000	-	-	-
Public Health Districts	\$500,000	\$506,500	\$515,200	\$515,000	\$515,000	\$336,000
Dept. of Health & Welfare						
Tobacco Counter Marketing	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	-
Adolescent Pregnancy Prev.	-	\$400,000	-	-	-	-
Small Bus. Health Ins.	-	-	\$50,000	-	-	-
Collection of Baseline Data	\$200,000	-	-	-	-	-
American Lung Association	-	-	\$148,600	\$157,200	-	-
American Cancer Society						
Cancer Camp	-	-	\$34,000	-	-	-
Magic Valley Youth Tobacco	-	-	\$10,000	-	\$60,700	-
Idaho State Police	-	-	\$94,000	\$94,000	\$94,000	\$94,000
Idaho Supreme Court	\$170,000	\$320,000	\$270,000	\$270,000	\$270,000	\$270,000
Blue Cross Foundation	-	-	-	\$67,500	-	-
Millennium Fund Committee*	\$100,000	-	-	-	-	-
TOTAL	\$2,305,000	\$2,756,500	\$3,579,200	\$2,438,700	\$1,939,700	\$700,000

* This money was appropriated "for the Legislature for deposit in the Legislative Account for Millennium Fund Legislative Subcommittee technical support services." The money is now used to pay expenses relating to the biannual meetings of the Joint Millennium Fund Committee.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2006 Original Appropriation	0.00	0	0	0.00	0	0
FY 2007 Base	0.00	0	0	0.00	0	0
1. Caldwell School District - GRASP	0.00	0	30,000	0.00	0	0
2. SHIP Transitional Housing	0.00	0	47,300	0.00	0	0
3. Public Health Districts	0.00	0	515,000	0.00	0	515,000
4. Catastrophic Health Care	0.00	0	600,000	0.00	0	0
5. American Lung Association	0.00	0	77,900	0.00	0	0
6. H&W Tobacco Counter Marketing	0.00	0	500,000	0.00	0	395,000
7. Idaho Supreme Court	0.00	0	270,000	0.00	0	270,000
8. Community Patient Navigator Clinic	0.00	0	150,000	0.00	0	0
9. ISP - Youth Tobacco Investigations	0.00	0	94,000	0.00	0	94,000
10. Boys & Girls Clubs of Idaho	0.00	0	102,900	0.00	0	0
11. Defense Costs for AGO	0.00	0	250,000	0.00	0	0
FY 2007 Total	0.00	0	2,637,100	0.00	0	1,274,000
Change from Original Appropriation	0.00	0	2,637,100	0.00	0	1,274,000
% Change from Original Appropriation						

Idaho Millennium Fund

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2006 Original Appropriation	0.00	0	0	0	0
FY 2007 Base					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

1. Caldwell School District - GRASP

The GRASP program works with high-risk youth in the Caldwell area. This program educates students about the link between the use of tobacco as a gateway to drug and alcohol abuse. The program targets students who may have affiliations with gangs and have been arrested for serious offenses, or who have been identified as students involved with serious circumstances that may impede their academic progress.

Agency Request	0.00	0	30,000	0	30,000
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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2. SHIP Transitional Housing

Funding is requested by Supportive Housing and Innovative Partnerships, Inc. (SHIP) to provide a short-term community based residential program for persons dually diagnosed with a severe and persistent mental illness and alcohol and/or drug dependence. The program combines safe and sober housing, personal accountability through the Ada County Mental Health Drug Court, substance abuse treatment, and mental health services through Region 4 Health & Welfare Mental Health.

Agency Request	0.00	0	47,300	0	47,300
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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3. Public Health Districts

This request would provide continued funding to the Public Health Districts to provide tobacco-use prevention and cessation services to all Idaho citizens, with primary emphasis on youth and pregnant women. This request represents an increase of \$179,000 over the appropriation for FY 2006.

Agency Request	0.00	0	515,000	0	515,000
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Governor's Recommendation	0.00	0	515,000	0	515,000
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4. Catastrophic Health Care

This request would provide funding for the Medically Indigent Health Care Program to reduce county deductible payments in caring for indigent persons with tobacco-related diseases. The program has been funded every year since the inception of the Millennium Fund with the exception of FY 2006.

Agency Request	0.00	0	600,000	0	600,000
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Not recommended by the Governor. However, the Governor does recommend shifting the responsibility for the entire Medically Indigent Health Care Program to the Millennium Permanent Fund in FY 2007, and capping expenditures at \$20 million.

Governor's Recommendation	0.00	0	0	0	0
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5. American Lung Association

This request would provide funding for the tobacco cessation program -- Teens Against Tobacco Use (T.A.T.U.). The T.A.T.U. program will help young people ages 14-17 teach 9-12 year old children to avoid tobacco by providing them the tools to help them make the decision not to smoke. This agency received \$148,600 in FY 2003, and \$157,200 in FY 2004 from the Millennium Fund.

Agency Request	0.00	0	77,900	0	77,900
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Not recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. H&W Tobacco Counter Marketing					
This request would provide \$500,000 to fund a media campaign aimed at increasing awareness of the addictiveness of tobacco and the severity of the consequences of using it. This program has been funded at this same level as requested since FY 2001, with the exception of FY 2006 when it did not receive an appropriation from the Millennium Fund.					
Agency Request	0.00	0	500,000	0	500,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>395,000</i>	<i>0</i>	<i>395,000</i>
7. Idaho Supreme Court					
The Youth Courts program has received funding from the Millennium Fund for the past six years. The Status Offender Services program has received funding from the Millennium Fund for the past five years. The Supreme Court is requesting funding again at the same level it has received in the past to continue its efforts to support and evaluate a continuum of community-based juvenile prevention and intervention programs in each judicial district.					
Agency Request	0.00	0	270,000	0	270,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>270,000</i>	<i>0</i>	<i>270,000</i>
8. Community Patient Navigator Clinic					
This request would provide funding for a partnership project of the Magic Valley Youth Tobacco-Free Coalition, Magic Valley Regional Medical Center, and the South Central Community Health Department to develop a community patient navigator clinic helping medically underserved persons with chronic illnesses find and make the best use of existing medical resources.					
Agency Request	0.00	0	150,000	0	150,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
9. ISP - Youth Tobacco Investigations					
This request would be used to offset the cost of youth tobacco investigations, which are required by law. This program has received the same amount of funding since FY 2003.					
Agency Request	0.00	0	94,000	0	94,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>94,000</i>	<i>0</i>	<i>94,000</i>
10. Boys & Girls Clubs of Idaho					
This request is for funding to deliver tobacco prevention program call SMART Moves created by the Boys and Girls Clubs of America that equips children with basic life skills, problem solving and decision making abilities, and communication skills -- all designed to boost self-confidence, self-esteem, and sense of security.					
Agency Request	0.00	0	102,900	0	102,900
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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11. Defense Costs for AGO

This request is for funding in the Special Litigation Program of the Attorney General's Office budget to defend the State's interests in future payments under the Master Settlement Agreement (MSA). Various tobacco companies that are part of the MSA have indicated that they expect to begin litigation challenging Idaho's future tobacco payments. This litigation may require a significant investment of resources to successfully prosecute challenges to the continued payments under the MSA. In addition, there have been several new cases and notices of intent to initiate legal proceedings filed by other tobacco companies challenging the MSA and Idaho laws enacted to implement the MSA. Failure to adequately defend these various litigation threats jeopardizes Idaho's entire tobacco MSA payment. This request is made from the Millennium Permanent Fund.

Agency Request	0.00	0	250,000	0	250,000
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The Governor did not make a recommendation on elected officials after-maintenance budget requests.

Governor's Recommendation	0.00	0	0	0	0
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FY 2007 Total

Agency Request	0.00	0	2,637,100	0	2,637,100
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Governor's Recommendation	0.00	0	1,274,000	0	1,274,000
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Agency Request

Change from Original App	0.00	0	2,637,100	0	2,637,100
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% Change from Original App

Governor's Recommendation

Change from Original App	0.00	0	1,274,000	0	1,274,000
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% Change from Original App